



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY B. RISING
STATE TREASURER

November 12, 2004

FOR IMMEDIATE RELEASE
www.michigan.gov/treasury

Contact: Terry Stanton, Treasury
(517) 335-1356
Greg Bird, State Budget
(517) 373-7560

Revenue Estimating Conference Set for December 3rd; Comprehensive Budget Solution will be Based on Citizen Priorities

LANSING – State Treasurer Jay B. Rising announced today that a special revenue estimating conference will take place on December 3rd, 2004. The conference will take an early look at the 2005 fiscal year revenues and try to reach a consensus on revenues that can be used to develop budget solutions. The conference has been called in response to a request from the Senate Fiscal Agency to conduct a review of projected revenues for the 2004 and 2005 fiscal years.

“The December revenue estimating conference will provide us with an early look at the state’s fiscal situation – that is a first step,” said Treasurer Rising. “By December 3rd, we will have the first month of preliminary 2005 fiscal year collection data to review. The second step will be to close the books on the 2004 fiscal year, after which we will be able to identify the magnitude of the problem and work aggressively with the Legislature to correct it.”

The state closes the books on the 2004 fiscal year in late December, at which time the actual 2003-04 fiscal year revenues are determined and any shortfall to be carried forward is identified. The State Treasurer and Budget Director Mary Lannoye have welcomed the early revenue conference. The early conference will assist in the development of a comprehensive budget solution for the current fiscal year which will in turn help the administration identify priorities for the 2006 fiscal year budget. Since the state closes its books faster than any other state in the nation, we are in the position of being able to utilize that information to help develop fiscal year 2005 and 2006 spending priorities.

In September, the Governor instructed her cabinet to develop a comprehensive budget that lives within its means and is reflective of the priorities of the citizens. Because the budget

will be outcome-based, it will show the citizens what the state's money is being spent on. Citizens and lawmakers will then be able to measure whether or not those programs are efficient and effective.

“It is imperative that any solution that is presented for the current fiscal year be consistent with the priorities that are being adopted for the Governor's 2006 budget,” said Budget Director Lannoye. “The budget will be outcome-based and reflect the priorities of all the citizens – all while living within government's means. We have always worked diligently to identify and correct budget problems in the past, and will do so this year. We look forward to working with the Legislature to develop budget solutions that protect our shared priorities.”

In preparation for a potential revenue shortfall in fiscal year 2005, Governor Granholm has issued several Executive Orders that direct departments to tighten spending until a solution is presented. Those Executive Orders will be strictly enforced. The administration will also seek to identify potential savings and implement those as necessary.

#